

ASSEMBLY BILL

No. 932

Introduced by Assembly Member Torlakson

February 26, 2009

An act to amend Section 8278.3 of the Education Code, relating to child care and development services, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 932, as introduced, Torlakson. Child care and development services: facilities.

Existing law establishes the Child Care Facilities Revolving Fund in the State Treasury to provide funding for the renovation, repair, improvement, or purchase of child care facilities for lease to school districts and contracting agencies that provide child care and development services pursuant to the Child Care and Development Services Act.

This bill would instead specify that the fund be used to make loans to eligible borrowers for the purchase, development, construction, expansion, renovation, repair, or improvement of licensed child care. The bill would authorize the Superintendent of Public Instruction to transfer federal funds appropriated for child care facilities into the fund.

Existing law requires the Superintendent of Public Instruction to submit a report to specified agencies detailing certain information relating to the fund, including a projection of the lease payments collected.

This bill would instead require the Superintendent of Public Instruction to include a projection of the loan payments collected, and would require the Superintendent to include specified additional

information in the report. The bill would require the State Department of Education to utilize the capital financing expertise of the child care financial intermediary program to administer the fund, and to adopt regulations to implement these procedures and manage the fund.

By authorizing the expenditure of funds in the Child Care Facilities Revolving Fund, a continuously appropriated fund, for a new purpose, and adding a new source of revenue for deposit into the fund, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8278.3 of the Education Code is amended
2 to read:
3 8278.3. (a) (1) The Child Care Facilities Revolving Fund is
4 hereby established in the State Treasury to provide funding for the
5 renovation, repair, or improvement of an existing building to make
6 the building suitable for licensure for child care and development
7 services and for the purchase of new relocatable child care facilities
8 for lease to school districts and contracting agencies that provide
9 child care and development services, pursuant to this chapter, to
10 be used to make loans for the purchase, development, construction,
11 expansion, renovation, repair, or improvement of all types of
12 licensed child care and development facilities, and for the purpose
13 of loan administration. The Superintendent of Public Instruction
14 may transfer state and federal funds appropriated for these child
15 care facilities purposes into this fund for allocation to school
16 districts and contracting agencies, as specified, for the purchase,
17 transportation, and installation of facilities for replacement and
18 expansion of capacity. School districts and contracting agencies
19 using facilities made available by the use of these funds shall be
20 charged a leasing fee, either at a fair market value for those
21 facilities or at an amount sufficient to amortize the cost of purchase
22 and relocation, whichever amount is lower, over a 10-year period.
23 Upon full repayment of the purchase and relocation costs, title
24 shall transfer from the State of California to the school district or
25 contracting agency. The Superintendent of Public Instruction shall
26 deposit all revenue derived from the repayment of loans made
27 pursuant to this section, and from the lease payments from funds

1 *allocated prior to January 1, 2010, into the Child Care Facilities*
2 *Revolving Fund.*

3 (2) Notwithstanding Section 13340 of the Government Code,
4 all moneys in the fund, including moneys deposited from lease
5 payments *and loan payments*, are continuously appropriated,
6 without regard to fiscal years, to the Superintendent ~~of Public~~
7 ~~Instruction~~ for expenditure pursuant to this article.

8 (b) On or before August 1 of each fiscal year, the Superintendent
9 ~~of Public Instruction~~ shall submit to the Office of the Secretary
10 for Education, the Department of Finance, and the Legislative
11 Analyst's Office a report detailing the number of funding requests
12 received ~~and their purpose~~, *the number of funding requests pending,*
13 *the number of funding requests approved, and the purpose of each*
14 *funding request*, the types of agencies that received funding from
15 the Child Care Facilities Revolving Fund, the *retained or* increased
16 capacity that these facilities generated, a description of the manner
17 in which the facilities are being used, and a projection of the ~~lease~~
18 *loan* payments collected and the funds available for future use.

19 (c) A school district or county office of education that provides
20 child care *and development services* pursuant to the California
21 School Age Families Education Program (Article 7.1 (commencing
22 with Section 54740) of Chapter 9 of Part 29) is eligible to apply
23 for and receive funding pursuant to this section.

24 (d) *The department shall utilize the capital financing expertise*
25 *of the child care financial intermediary program to administer the*
26 *Child Care Facilities Revolving Fund.*

27 (e) *The department shall adopt regulations to establish*
28 *priorities, forms, policies, and procedures for implementing this*
29 *section and managing the Child Care Facilities Revolving Fund.*